



OFFICE OF ECONOMIC DEVELOPMENT
CITY OF JACKSONVILLE, FL

**FULL SERVICE GROCERY STORE REINVESTMENT PROGRAM
WINN-DIXIE STORES, INC. A SUBSIDIARY OF SOUTHEASTERN GROCERS, INC.
(5210 NORWOOD AVE. - GATEWAY MALL)**

SUMMARY

November 25, 2019

Entity:

Winn-Dixie Stores, Inc. a wholly owned subsidiary of Southeastern Grocers, Inc.

Background:

In October 2019, Publix announced its closure of its long standing store at 5210 Norwood Avenue – Gateway Mall location. The retail area is approximately 28,000 square feet and was built in 2000. It is part of a larger shopping center owned by Gator Investments, Inc. Gator Investments is a full service real estate company specializing in the ownership, development, management and leasing of income producing properties with 207 properties in 22 states and Puerto Rico. Since the announced closing, Gator Investments and the City have been actively pursuing tenants for the shopping center's only grocery store which serves a densely populated residential market of the Northwest area of the City. The center has multiple existing tenants including Family Dollar, Hibbett Sporting Goods, Rainbow and You Fit Health Club.

Upon the announced closure of the Publix, Winn-Dixie began expressing interest in opening a store at this location and worked closely with Gator Investments, Inc. Winn-Dixie is now desirous of opening in the first quarter of 2020 with the help of the City's Full Service Grocery Store Reinvestment Program.

Winn-Dixie is a well-known and well-respected regional brand with deep heritages, strong neighborhood ties, a proud history of giving back to the community, and locally headquartered. Founded in 1925, Winn-Dixie grocery stores, liquor stores and in-store pharmacies serve communities throughout five southeastern states - Alabama, Florida, Georgia, Louisiana and Mississippi. Winn-Dixie Stores, Inc. is a subsidiary of Southeastern Grocers, Inc. which is one of the largest supermarket chains based in the Southeast.

Project Rationale & Benefits:

The City of Jacksonville desires to promote growth and revitalization within the Northwest Area, while providing access for the community to fresh foods such as fruits, vegetables and meats. With the closure of the Publix, census tract 14 could rapidly begin to become a food desert in the Northwest area as defined by the USDA. As such, the citizens in the area would have limited direct access to fresh foods. The extended closure of an approximately 28,000 SF grocery store could signal to the market that investment in this economically distressed area might be overly risky. Therefore, City funding is necessary to ensure a "Full Service Grocery Store" is operational

in a location that cannot endure a closure of any extended period of time. The City will provide assistance to this redevelopment project in order to refurbish, refresh and outfit the current space for a new grocery store chain (Winn-Dixie).

This project will not only ensure an on-going tax basis on the property, but will also provide a stabilizing influence to an economically struggling area of the City. Winn-Dixie's investment coupled with Gator Investments will enable the store to be reopened under the Winn-Dixie brand.

City of Jacksonville Funding	Winn Dixie's Matching Funds	Goals
Up to \$850,000 (40% of the overall investment) for the redevelopment of the property to include furnishings, fixtures, capital improvements to the building and property.	Tenant buildout costs associated with outfitting the property for an approximately 28,000 SF full service grocery store and the redevelopment of the existing property.	Provide fresh food shopping options for the nearby population. Stabilize an approx. 28,000 SF soon to be vacant space in an existing Shopping Center in a primary commercial hub of Northwest Jacksonville.

Project Deliverables:

The City of Jacksonville proposes to provide:

- An \$850,000 grant to Winn-Dixie Stores, Inc.

Winn-Dixie's (through a tenant buildout provision in the lease) will provide:

- Improvements and tangible personal property associated with the opening and operation of a "Full-Service Grocery Store" including:

Interior Store remodeling

- Fixtures associated with a Grocery Store
- Point of Sale Equipment and Technology
- Refrigerated Cases
- Other necessary upgrades for the operation of the Grocery Store

Improvements may also be made to the exterior of the store and property immediately adjacent to the store, including:

- Parking Lot paving/stripping
- Lighting enhancements
- Signage
- Building Painting
- Landscaping
- Other features necessary to ensure safe and efficient use of the site

The Owner (Gator Investments) and Tenant (Winn Dixie Stores) participation would be:

Capital and Tangible Personal Property enhancements associated with the opening and operation of a full service grocery store.

The total amount of City participation would be up to:

Up to an \$850,000 grant (40% of Capital and Tangible Personal Property Costs) will be provided upon the issuance of a Certificate of Occupancy and documentation of investments. The development agreement will include a claw-back to ensure the project continues to operate as a grocery store, where the City would be reimbursed by the Company on a sliding scale at the rate of 20% of the grant amount per year (\$170,000 per year) over the course of the five year period. Should the project fail to continue to operate, the remaining term of the agreement will determine the amount due back to the City.